

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

D.T.E. 01-31 Phase II

Respondent: Paula L. Brown
Title: Vice President-Regulatory

REQUEST: ATT Communications of New England, Inc., Set #2

DATED: September 20, 2002

ITEM: ATT-VZ 2-1 Refer to Verizon's June 5, 2002 compliance filing, document entitled "Verizon Massachusetts D.T.E. 01-31 Compliance Filing" ("*Compliance Filing Summary*"), at page 3, wherein it states: "Tab C of the filing identifies Verizon MA's Private Line offerings and lists the UNEs that can be used by carriers to provide competing services." Refer also to *Compliance Filing Summary*, at page 8, wherein it states: "A complete list of all Business services and the relevant UNEs that other carriers can use to provide competing services is contained in Tab C."

Please reconcile the above two statements as to whether the services listed in Tab C constitute "all" business services or only "Verizon MA's Private Line offerings."

REPLY: Tab C includes both Private Line services and Business services that are moving to the competitive category.

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ITEM: ATT-VZ 2-2 If the Tab C services constitute only Verizon MA's "Private Line offerings," please explain why many of the same services appear in both Tab C and Tab A, Attachment B, given that Verizon is proposing that Private Line offerings not be price deregulated and it is proposing that Tab A, Attachment B services be price deregulated. For example, Verizon lists "Dial tone Line & Local Message/Usage Bus (DTE 10, Part M, Section A, Subsection 1.5.1, under both Tab C and Tab A, Attachment B.

REPLY: Tab C does not include only Private Line offerings. Please see the response to Information Request ATT-VZ 2-1 (VZ #285).

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ITEM: ATT-VZ 2-3 Refer to Verizon response to DTE-VZ-2-2, which purports to list the business services to which the price floor rules enunciated by the Department in its Phase I Order apply. Please compare the services listed in DTE-VZ-2-2 to the services listed in Tab A, Attachment B, pages 2-4 (under the heading "Massachusetts Business Services Subject To Market Based Pricing"). In your response, please list each service in Tab A, Attachment B, pages 2-4 (under the heading "Massachusetts Business Services Subject To Market Based Pricing") that does not appear in your response to DTE-VZ-2-2 and, separately for each such service, explain why the price floor rule enunciated by the Department in its Phase I Order does not apply to such service. Please take care to include in your answer why – in Verizon's view – the Centrex Services listed on page 4 of Tab A, Attachment B are not subject to the Department's Phase I Order price floor rules.

REPLY: Please see the attached for a detailed listing of the business services not included in Information Request D.T.E.-VZ 2-2 that are subject to the price floor rules established in D.P.U. 94-185.

These business services were not included in Information Request D.T.E.-VZ 2-2 because the tariff references apply to:

?? Administrative and Non recurring charges

A CLEC can provide all business services, including Private Line services, through the use of UNEs. In some cases, a retail tariff rate exists for an administrative charge, (i.e., a dishonored check charge), which obviously is not part of the network elements, but rather a charge that every competitor can apply to its own

REPLY: ATT-VZ 2-3
(cont'd)

customers. No specific piece of Verizon MA's network is needed to assess these charges. Likewise, non-recurring charges similarly are assessed by competitors and do not require a specific network element. For example, premises work charges are not associated with work that Verizon MA performs for CLECs.

?? Operator services

In the case of Operator services, UNEs are not required because competitors are able to provide their own operator services. Therefore, imputation of a UNE is not appropriate. Marginal or incremental cost is the appropriate consideration.

?? Services comprised of equipment or wiring

Some services, like Apartment Door Answering Service, could be provided by using UNEs to reach the customer premises, just as Verizon MA uses a measured business line, but the actual apparatus to provide a door answering function would be provided via equipment that the CLEC would purchase separately. The equipment is not part of Verizon's network and there is no UNE for the door answering function.

?? Services requiring switched access imputation

Toll service is provided over exchange lines and therefore the dial tone line required to provide toll service can be obtained via a UNE. However, UNEs are not used to provide toll. CLECs are charged Access charges. In D.P.U. 94-185, the Department established a separate imputation requirement for toll services, which requires the imputation of the relevant Access charge in toll prices. The enhanced price floors that the Department established in the *Phase I* order relate to business services that were formerly price regulated, but the additional requirements for moving business services to a competitive pricing classification, did not eliminate the toll imputation requirements previously established by the Department.

?? Services previously classified as sufficiently competitive (Centrex)

REPLY: ATT-VZ 2-3
(cont'd)

Centrex services have been classified as sufficiently competitive offerings since 1985. Centrex was found to be competitive with the unregulated telephone equipment market, not based upon UNEs. The Department's *Phase I* Order, did not change the Department's previous findings regarding Centrex and the relevant competitive alternatives.

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MASSACHUSETTS BUSINESS SERVICES SUBJECT TO D.T.E. 94-185 PRICE FLOOR RULES

<u>Retail Business Services</u>	<u>Rationale For Price Floor</u>	<u>DTE 10, Part M, Section A</u>
Returned Check	Administrative charge	1.1.2
Late Payment Charge	Administrative charge	
Market Trials	Administrative charge, temporary	1.1.5
Construction	Non-recurring	1.2.1
Interior Wiring	Non-recurring	1.2.2
Element 1&2 – Bus	Non-recurring	1.3.1
Premises Work Charges	Non-recurring	1.3.2
Other Service Charges – Business only (includes restoral & suspension of service as well as jacks, rewire, etc.)	Non-recurring	1.3.3
Protection Equipment for Services to Power Stations	Equipment	1.4.1
Connecting Arrangements	Wiring	1.4.2
Door Answering & Announcement Lines	Equipment and wiring	1.5.1
Joint User Service	Administrative charge	1.5.4
Directory Listing Service – Nonpub & nondirectory	Administrative charge	1.5.6
Directory Listing Service – Additional Listing	Administrative charge	1.5.6
Directory Assistance Service	Operator services	1.5.7
Operator Call Completion Service	Operator services	1.5.8
Electronic White Pages	Directory service	1.5.9
Busy Line Verification and Busy Line Interrupt	Operator services	1.5.11
Touch Tone - Centrex I, II & Custom	Sufficiently competitive classification	1.7.2
Special Reverse Charge Toll Service	Operator services, administrative charge	1.7.4
Signal Line Filter	Equipment	1.7.7
Intellidial	Sufficiently competitive classification	1.7.9
Pulsenet Alert Transport	Equipment	1.7.10
MTS Business Schedules 3 & 6	Switched access	1.9
MTS Schedules 2 & 7	Switched access	1.9.1
Incremental Charges	Operator services	1.9.1
Group Bridging Service	Equipment	1.9.3
Call Completion BAAN Single Rate Plan	Operator services	1.9.6
Business Link	Switched access	1.10.4
Dedicated Toll Free Service	Switched access	1.11.1
Toll-free Service	Switched access	1.11.2
Toll Free Management Features	Administrative charges; non-recurring	1.11.3
Public Emergency Call Receiving	Equipment	1.12.1
Universal Emergency Number Service (E911)	Equipment	1.12.2-3

MASSACHUSETTS BUSINESS SERVICES SUBJECT TO D.T.E. 94-185 PRICE FLOOR RULES

Toll Billing Info	Administrative charge	1.12.8
Special CO Term Equipment for PBX	Equipment	1.12.9
Message Registration for PBX	Non-recurring; equipment	1.12.10
Secretarial Concentrator	Equipment	1.12.11
Service through miscellaneous Common Carriers	No UNE required	1.12.15
ACD	Equipment	1.12.16
Group Alerting Service	Sufficiently competitive classification	1.12.17
Apartment Door Answering	Equipment and wiring	1.12.18
CO-LAN	Equipment	1.12.19
DTE 10, Part M, Section C – <u>Digital Communications Services</u>		
Digital Automatic Call Distribution (ACD)	Equipment	3.13.1
DTE 10, Part M, Section D – <u>Billing Information Services</u>		
Billing Information Service (for information providers)	Administrative charge	4.1.1
DTE 10, Part M, Section H – <u>Centrex Services</u>		
Centrex Line Administration System (CLAS)	Sufficiently competitive classification	8.2.1
Electronic Tandem Switching (ETS) Features	Sufficiently competitive classification	8.2.2
Electronic Central Office Features	Sufficiently competitive classification	8.2.3
Centrex Diversion Arrangements	Sufficiently competitive classification	8.2.4
Restricted Incoming Call Service	Sufficiently competitive classification	8.2.5
Intellismart	Sufficiently competitive classification	8.2.6
Centrex Call Management	Sufficiently competitive classification	8.2.7
Digital Centrex Additional Features	Sufficiently competitive classification	8.2.8
Other Centrex Services	Sufficiently competitive classification	8.3.1
Analog Centrex Services	Sufficiently competitive classification	8.4.1
Digital Centrex Services	Sufficiently competitive classification	8.5.1
Call Max Service	Sufficiently competitive classification	8.6.1
DTE 12, Part A1, – <u>Facility-based Payment Option (FPO) and System-Specific Payment Plans</u>	Sufficiently competitive classification	
DTE 12, Part E, <u>Customer Specific Pricing Plans (CSP)</u>	Sufficiently competitive classification	